ANNUAL REPORT

for the fiscal year
ending March 31, 1984

Department of Consumer Affairs

Contents

Letters of Transmittal 5

Organizational Chart 9

Acts Administered by the Department 11

General Summary 13

Administration Division 15

Amusements Regulation Division 17

Consumer Services Division 22

Credit Union Division 25

Rent Review Division 30

Residential Tenancies Division 32

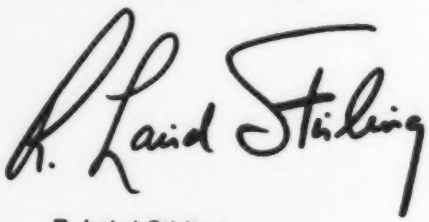
Department of Consumer Affairs Offices 36

The Honourable Alan R. Abraham
Lieutenant-Governor
Province of Nova Scotia

May It Please Your Honour:

I have the honour to present to you the Annual Report of the Department of Consumer Affairs for the fiscal year ending March 31, 1984.

Respectfully submitted



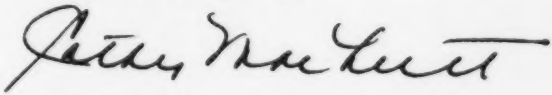
R. Laird Stirling

The Honourable R. Laird Stirling
Minister of Consumer Affairs
Province of Nova Scotia
Halifax, Nova Scotia

Sir:

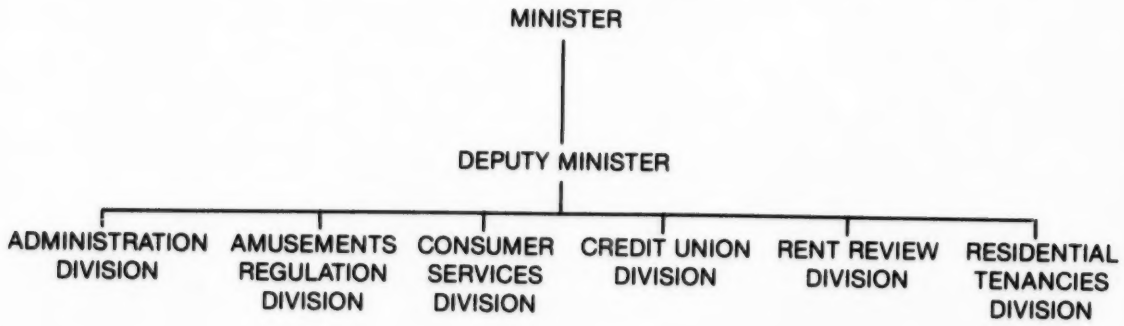
I take pleasure in presenting to you a report of the activities of the Department of Consumer Affairs for the year ending March 31, 1984.

Respectfully submitted



Cathy MacNutt

NOVA SCOTIA DEPARTMENT OF CONSUMER AFFAIRS



ACTS ADMINISTERED BY THE DEPARTMENT OF CONSUMER AFFAIRS

- The Cemetery and Funeral Services Act
- The Collection Agencies Act
- The Condominium Act
- The Consumer Creditors Conduct Act
- The Consumer Protection Act
- The Consumer Reporting Act
- The Consumer Services Act
- The Credit Union Act
- The Direct Sellers' Licensing and Regulation Act
- The Embalmers and Funeral Directors Act
- The Instalment Payment Contracts Act
- The Loan Companies Inspection Act
- The Mortgage Brokers and Lenders Registration Act
- Part X of the Bankruptcy Act (Federal)
- The Public Accountants Act
- The Real Estate Brokers' Licensing Act
- The Rent Review Act
- The Rental Property Conversion Act
- The Residential Tenancies Act
- The Tax Rebate Discounting Act (Federal)
- The Theatres and Amusements Act
- The Unconscionable Transactions Relief Act

GENERAL SUMMARY

The 1983-84 fiscal year saw a continued increase in the requests for information and services from the consumer and corporate communities of Nova Scotia. In statistical terms, the Department's offices received approximately 147,000 telephone calls, which represented a five per cent increase in volume over the prior year. Visitors to our various offices remained constant with those of the previous year at approximately 20,000. When combined, this activity represents an average of 668 contacts with our offices on a daily basis, not including mail received.

The Department now administers 20 provincial and two federal statutes. Although the Department must administer the regulatory aspects of this legislation, this is accomplished in a major way through providing information to consumers and businesses alike, hopefully to decrease the requirements for enforcement.

The Department is organized into six divisions: Administration, Amusements Regulation, Consumer Services, Credit Union, Rent Review and Residential Tenancies. Each division, with the exception of Administration, is responsible for the overseeing and application of various statues. Increasingly throughout the year, the Department broadened the basis of information available throughout our various regional offices.

The *Report of the Commission of Inquiry on Rents* was presented to government in the fall of 1983. Eighteen of the nineteen recommendations of the report were accepted by government for immediate implementation or through amendments to the various statutes at the future sitting of the Legislature. Ongoing work with respect to the funeral and cemetery industry was continued through the Cemetery and Funeral Services Act.

By continuing its observation and communication with other jurisdictions, the Amusements Regulation Division was able to keep pace with an expected increase in available video cassette material for commercial showing and home use.

It became evident through both observation and representations from the public that to sustain a program of public awareness the public should be assisted through an extension of the process of classification already in place for other segments of the film industry.

In February, 1984, regulations were passed that required all retail video outlets to be licensed, and film classifications were applied to cassette material effective June 1, 1984.

To assist operators in this program, catalogues of films that had been classified and identification stickers were provided free of charge by the Division to operators and made available to the general public.

ADMINISTRATION DIVISION

At the centre of the Department is the Administration Division, which prepares and controls budgets, establishes economical utilization of staff, space and equipment, serves as liaison with other government departments, such as Government Services and the Civil Service Commission, and provides a research and communications resource to its fellow divisions as well as to other departments and the public.

Services of the research and communications program are provided to all staff through an expanded library, which makes information from other governments and consumer organizations readily available to them for their own use and also in answering inquiries.

The Division continues its interest in, and support of, the various groups operating in the private sector; participates in seminars and displays in cooperation with those groups; and in the fiscal year provided $3,500 in the form of a grant to assist the local branch of the Consumers' Association of Canada in its activities.

AMUSEMENTS REGULATION DIVISION

An increase in the number of licensed film exchanges occurred in the fiscal year, brought about by a reorganization within the film industry.

Although there was a decline in traditional revenue sources, an increase in revenues was experienced through the implementation of an amusement tax on subscribers of cable television services, which became effective January, 1984.

A form for general amusement licenses was implemented, reducing to five the number of categories of licensed amusement activity.

There was an increase in the overall number of films submitted for classification, a direct result of music video films being distributed in bars, lounges and other public places.

To assist the general public in choosing video cassette material for home use, the process of film classification was extended. In February, 1984, a regulation was proclaimed requiring the licensing of all video outlets and identification of film classifications to be effective June 1, 1984.

Identification stickers were provided to video outlets for attachment to cassette material, and a catalogue of classification of all film titles viewed by the Amusements Board from 1960 was made available to all video outlets and to the general public.

Revenue by Type
Fiscal years 1982/83 and 1983/84

Type	1983/84	1982/83
Licenses	$ 44,435	$ 44,435
Screening Fees	64,845	51,475
Amusement Tax (theatre)	996,804	1,187,521
Amusement Tax (non-theatre)	496,391	493,577
Amusement Tax (touring groups)	256,020	270,548
Share of pari-mutuel Tax	501,022	511,279
Amusement Tax (cable)	285,294	
TOTAL	$2,644,811	$2,558,835

Number of Films Screened
By Type of Classification

35 MM Films	1983/84	1982/83
General	24	27
Adult	109	87
Restricted	103	101
Rejected	4	1
TOTAL	240	216

16 MM	1983/84	1982/83
General	0	5
Adult	8	5
Restricted	2	5
Rejected	0	0
TOTAL	10	15

Video Films	1983/84	1982/83
General	21	12
Adult	52	1
Restricted	3	4
Rejected	0	0
TOTAL	76	17

Origin of 35 MM Films Classified
April 1, 1983 to March 31, 1984

Country	1983/84	1982/83
United States	148	134
Great Britain	21	16
Canada	19	7
France	3	5
Italy	3	2
West Germany	3	8
Japan	1	5
Russia	0	1
Greece	1	1
Taiwan	0	1
Other	41	36
TOTAL	240	216

Number of Licenses Issued, 1982/83 to 1983/84

	1983/84	1982/83
Films and Theatres		
Theatres	68	67
Projectionists	130	142
Apprentice Projectionists	28	39
Projection Machines	83	126
Film Exchanges	48	20
Film Certificates	1,015	901
Other Licenses Issued		
Itinerant	10	4
Race Tracks (Horse)	5	4
Festivals (Outdoor)	10	6
Places of Amusement (rinks, arcades, pool halls, bowling, bingo halls, go-cart tracks, amusement parks)	644	479
* Combined total of individual bowling lanes and pool tables Deleted in 83/84		746
TOTALS	2,041	2,534

*Note: Difference in totals reflects license changes, i.e., bowling lanes and pool tables were each licensed separately. Now one license covers all.

Attendance
By Type of Event

	1983/84	1982/83
Theatres (movie and live)	2,514,919	3,107,430
Itinerant Shows	608,772	869,379
Lounges, Beverage Rooms and Cabarets	1,228,311	908,746
Boxing, Hockey, Wrestling and other Professional Sports	331,975	327,367
Horse Racing	104,995	76,240
*Sundry Amusements (such as stock car, go-carts, roller skating. . . etc.)	265,284	810,748
TOTAL	5,054,256	6,099,910

*Decrease due to final implementation of tax exemption for participatory recreations and amateur sports.

CONSUMER SERVICES DIVISION

From its origin in 1965, when it was a four-person operation under the Provincial Secretary, the division now has three distinct sections: business practices, debtor assistance and regulated industries.

Each of these sections has a vital and important role to play in service to the consumers of Nova Scotia.

The Business Practices Section processed 24,694 consumer complaints and inquiries in the fiscal year 1983–84. This is an increase of 9,637 over the previous year. Public information activities, such as speaking engagements and mall displays, continue to be a high priority within the section, and approximately 400 man-hours were spent by staff in these areas, less than in previous years due to public and in-house programs and increased in-office visits.

The Debtor Assistance Section provided financial counselling to 2,684 households and administered 954 consolidation orders issued under the Orderly Payments of Debts Provisions, Part X of the Federal Bankruptcy Act. A total of 312 new consolidation orders were issued and 521 referrals to bankruptcy issued during the fiscal period.

The Regulated Industries Section processed 3,745 licenses and registrations in the fiscal year. A total of 849 applicants were examined as part of their qualification for licenses. The licensing process includes industries such as real estate and mortgage brokers, collection agencies, direct sellers, funeral homes, cemeteries, consumer reporting agencies and others covered by provincial legislation.

Revenue of $171,777 in licensing, registration and examination fees was obtained through the section's activities in the fiscal year.

Communication is maintained with all regulated industries, other levels of government, business and consumer groups and the public.

Conversion of the license application and annual license renewal processes to a computerized licensing system became operational July 4, 1983. The system has significantly reduced

backlogs which occurred during previous annual license renewal periods, and now provides administrative staff with fingertip access to important licensing and reporting information. The new system has improved, in both time and response, the efficiency of the Department and those using the Department's services.

Twenty-three investigations, some involving cooperation with other agencies, were conducted and resulted in a variety of remedial actions being taken to the satisfaction of the parties involved.

Percentage of Complaints by Type
April 1, 1983 to March 31, 1984

Type	Per Cent
Consumer goods and services	21
Automobiles	16
Consumer reporting	8
Direct sellers	8
Appliances	7
Collection agencies	6
Mail orders	4
Clothing and footwear	3
Real estate transactions	3
Home furnishings	3
Other	21
TOTAL	100

Debtor Assistance Statistics
April 1, 1983 to March 31, 1984

Counselling sessions	2,684
Consolidation Orders issued	312
Referrals to Bankruptcy	521
Consolidation Orders in effect	954

CREDIT UNION DIVISION

Touching on the economic lives of more than 150,000 Nova Scotians, one of our province's oldest and best known financial institutions, the Credit Union movement, is provided with inspection services on an annual basis by the Credit Union Division.

Inspections are carried out by the Division generally on a surprise basis, and sometimes on request, to provide members with an independent review of the operations of their Credit Union and to ensure compliance with the Credit Union Act.

A total of 110 credit unions operated in the province during the 1983 calendar year, with a membership of 155,169 and combined assets of $242 million, up from $213 million a year earlier.

The Division liaises with the Credit Union Central of Nova Scotia (formerly the Nova Scotia Credit Union League) and the Nova Scotia Credit Union Stablization Fund Board.

All credit unions received complete inspections during the year. In addition, the Division maintained an ongoing program of partial inspection and follow-up where problems were identified.

During the year, the Musquodoboit Valley Credit Union was dissolved at the request of its members. The credit union was very small and there was no interest in the community to continue its operations. This dissolution reduced the number of credit unions in the province to 110 from 111.

Number of Credit Unions and Membership by County at December 31, 1983

County	Number of Credit Unions	Membership	Percentage of Total Membership by County
Annapolis	2	1,594	1.0
Antigonish	5	18,456	11.9
Cape Breton	13	33,349	21.5
Colchester	5	3,106	2.0
Cumberland	3	2,748	1.8
Digby	5	3,269	2.1
Guysborough	6	1,045	0.7
Halifax	30	46,190	29.8
Hants	6	8,643	5.6
Inverness	8	11,629	7.5
Kings	4	6,373	4.1
Lunenburg	2	2,892	1.9
Pictou	3	2,100	1.3
Queens	2	819	0.5
Richmond	7	7,925	5.1
Victoria	3	683	0.4
Yarmouth	6	4,348	2.8
TOTAL	110	155,169	100.0

Nova Scotia Credit Union
Consolidated Balance Sheet
December 31, 1983
(with comparative figures for 1982)

	1983 $'000	%	1982 $'000	%
ASSETS				
Cash and demand deposits	15,868	6.6	13,590	6.4
Investments — Central	23,611	9.8	27,148	12.7
— Other	18,337	7.6	12,288	5.8
Members loans	176,339	72.9	152,213	71.3
Land and buildings	2,995	1.2	2,856	1.3
Furniture and equipment	1,315	0.5	1,409	0.7
Accrued interest	1,978	0.8	2,196	1.0
Other	1,419	0.6	1,714	0.8
TOTAL ASSETS	241,862	100.0	213,414	100.0
LIABILITIES				
Deposits — Chequing	22,763	9.4	17,202	8.0
— Demand	51,980	21.5	44,322	20.8
— Term	37,727	15.6	35,349	16.6
— RRSP	23,001	9.5	18,755	8.8
— RHOSP	1,670	0.7	1,597	0.7
Total Deposits	137,141	56.7	117,225	54.9
Accounts payable	5,729	2.4	5,766	2.7
Loans payable	4,635	1.9	3,814	1.8
Other liabilities	689	0.3	1,833	0.9
	11,053	4.6	11,413	5.4
EQUITY				
Members shares	87,011	36.0	78,031	36.5
Guaranty fund reserve	5,352	2.2	5,197	2.4
Other reserves	4,754	2.0	4,420	2.1
Undistributed earnings	(3,449)	(1.5)	(2,872)	(1.3)
	93,668	38.7	84,776	39.7
TOTAL LIABILITIES AND EQUITY	241,862	100.0	213,414	100.0

Nova Scotia Credit Unions
Consolidated Statement of Revenue, Expense and Undistributed Earnings
for the year ended December 31, 1983
(with comparative figures for 1982)

	1983		1982	
	$'000	%	$'000	%
REVENUE				
Interest — Loans	24,102	79.2	25,324	80.3
— Investments	3,947	13.0	4,445	14.1
Total interest	28,049	92.2	29,769	94.4
Other revenue	2,389	7.8	1,781	5.6
TOTAL REVENUE	30,438	100.0	31,550	100.0
EXPENSE				
Interest — Deposits	9,495	31.2	12,468	39.5
— Borrowings	388	1.3	632	2.0
Total Interest Expense	9,883	32.5	13,100	41.5
Member security	1,889	6.2	1,798	5.7
Personnel	6,388	21.0	5,741	18.2
Occupancy	1,073	3.5	735	2.3
Other operating	4,213	13.8	5,616	17.8
Guaranty fund reserve	1,480	4.8	1,734	5.5
Provision for dividends	1,022	3.4		
TOTAL EXPENSE	25,948	85.2	28,724	91.0
SURPLUS	4,490	14.8	2,826	9.0
Undistributed earnings January 1	(2,872)		(4,769)	
Adjustments	44		4,653	
	1,662		2,710	
Allocations to reserves	398		138	
Dividends	4,713		5,444	
	5,111		5,582	
UNDISTRIBUTED EARNINGS DECEMBER 31	(3,449)		(2,872)	

Nova Scotia Credit Unions
Purpose of Loans
for the year ended December 31, 1983
(in thousands of dollars)

	Cash		Mortgage	
	Number	Amount	Number	Amount
Consolidation of debts	9,982	$ 24,615	30	$ 122
Auto purchases and repairs	13,112	40,953	104	234
Insurance premiums	1,871	628		
To make investments	1,441	3,894	2	29
Education	637	832		
Medical and dental	739	492		
Taxes	1,088	935	2	6
Holidays	2,904	4,196		
Home repairs and renovations	6,449	16,053	23	299
Purchase of real estate				
New housing	275	2,264	277	6,428
Used housing	319	2,959	446	11,473
Farm	1	1		
Other	328	3,523	3	49
Purchase of equipment				
Household	2,902	3,726		
Farm	68	368		
Fishermen	214	816	11	57
Other	612	1,041	5	23
Operating expenses				
Household	1,723	910		
Farm	106	327		
Fishermen	49	107		
Other	2,281	4,431		
Miscellaneous	24,392	32,030	1	1
TOTAL	71,493	$145,101	904	$18,721

Total number of all loans made	72,397
Total amount of all loans made	$163,822

RENT REVIEW DIVISION

The Rent Review Act was enacted in 1975. During the fiscal year 1983–84, the Minister announced, following a Commission of Inquiry, that the rent review program will be continued in the province.

Applications for rent increases received by the Division increased from 36,089 during the calendar year 1982 to 40,864 for the year 1983. In 1982, 79 per cent of the applications exceeded the guideline, requiring a decision by a Residential Tenancy Officer. In 1983, increases in excess of the guideline amounted to 67 per cent of the total.

Requests for review of the officer's decision by the Rent Review Commission dropped in 1983 to 480 from 631 during the 1982 calendar year.

The decline in the number of requests for increases in excess of the guideline can be attributed to a decrease in financing costs, the levelling off of the rate of inflation and an increase in the guideline amount from four per cent to six per cent.

The Commission of Inquiry on Rents, established in November, 1982, to study existing legislation, was completed in November, 1983. The government accepted 18 of the 19 recommendations and, where legislation was required, prepared it for the 1984 sitting of the Legislature. At the end of the fiscal year, these legislative changes were before the House of Assembly for their consideration. In the meantime, changes in regulations were passed providing additional factors that may be considered by the officer or Commission when reviewing a rent increase. Steps were also taken in early 1983 to make available to all parties the information relevant to making a decision on the rent to be permitted. An Advisory Board was established to assist the Minister with the development of policy and procedures on rent review matters.

The Division, along with the Residential Tenancies Division, hosted the 1983 Rentalman's Conference in September. Twenty-one tenancy and rent review-related executives from across Canada attended to discuss common issues and problems and to exchange information on how such matters are dealt with in each jurisdiction.

Total Number of Applications Received
Calendar Years 1982-1983

	1982	%	1983	%
Over Annual Guideline	28,452	79	27,419	67
Within Annual Guideline	7,637	21	13,445	33
TOTAL	36,089	100	40,864	100

Comparison of Applications Received for
Calendar Year Periods 1982-1983

	1982	1983	% Increase
Total applications	36,089	40,864	13.2
Over guideline	28,452	27,419	- 3.8
Within guideline	7,637	13,445	76.1
Decisions rendered by Residential Tenancy Officers	4,308	2,814	-34.7
Number of requests for review to Rent Review Commission	631	480	-23.9
Percentage of officer decisions reviewed on appeal to Rent Review Commission	14.7	12	

Number of Applications Received by Major Areas* in 1983
(includes those within 6% guideline)

Halifax	30,867
Truro	3,469
Sydney	1,916
Kentville	2,449
Bridgewater	1,213
Yarmouth	950
TOTAL	40,864

*Area includes municipalities and counties surrounding defined centre.

RESIDENTIAL TENANCIES DIVISION

The Division is responsible for the Residential Tenancies Act and its day-to-day administration, coordinates the activities of the eight appointed Residential Tenancies Boards and administers business matters pertaining to the Condominium Act and the Rental Property Conversion Act.

The Residential Tenancies Act establishes guidelines, rights and remedies for landlords and tenants with respect to rented residential premises. Disputes between landlords and tenants are documented by a written complaint and assigned to a Residential Tenancy Officer for mediation.

After mediation by an officer, if there is no agreement the dispute is referred to a board, and a summary application to the County Court must be completed by the applicant. The County Court refers the matter to a Residential Tenancies Board for a hearing. A report containing recommendations is made by the Board to the County Court.

During the fiscal year, 3,644 complaints were received by all boards, 70 per cent of which were from Halifax and County West and Dartmouth and County East Residential Tenancies Boards.

The fiscal year 1983–84 is the first 12-month period after the Act was amended in June, 1982. Board hearings and the number of complaints filed returned to their previous levels. Approximately 70 per cent of the complaints were mediated, with the remainder being referred to the boards for disposition.

Condominium Act

During the fiscal year 1983–84, seven condominiums were registered, involving a total of 217 units. The first condominium corporation outside Halifax County was registered in Pictou County. Twelve by-laws or amendments to by-laws were registered during this period. The total amount of revenue generated for registration of corporations and by-laws was $23,354.40.

The Condominium Act was amended in June, 1983, to permit bare land condominiums, in other words, condominiums without

buildings. This is restricted to mobile home parks and recreational purpose land. Before this amendment, the Act restricted condominium corporations to land with existing buildings.

Rental Property Conversion Act

The Rental Property Conversion Act, administered by the Director of Landlord and Tenant Relations, was proclaimed in June, 1982. This Act applies to residential property containing four or more units.

A Regulation under the Act states "no person shall convert rental property to property other than rental property". A further Regulation permits the Registrar of Condominiums to accept rental property for registration where the property is intended to be used by a non-profit community group to provide housing for people with special needs.

Activity Breakdown
by Residential Tenancies Board
April 1, 1983 to March 31, 1984

Residential Tenancies Board	Number of Complaints	% of Total
Halifax and County West	1,622	45
Dartmouth and County East	916	25
Northern Counties	320	9
Annapolis Valley	228	6
Cape Breton and Victoria Counties	207	6
Western Counties	192	5
Strait and Eastern Counties	87	2
South Shore	72	2
TOTAL	3,644	100

Complaints by Type, Number and
Per Cent of Total
April 1, 1983 to March 31, 1984

Type of Complaint	Number	% of Total
Unpaid Rent	995	27
Damages	225	6
Utilities	29	1
Unduly Interfering	133	4
Entry Doors	30	1
Non-return of Security Deposit	767	21
Condition of Premises	416	11
Notice to Quit	478	13
Entry of Premises	23	1
Deletion of Services	149	4
Rent Increase	41	1
Lease	25	1
Other	333	9
TOTAL	3,644	100

Complaints Filed April 1, 1983 to March 31, 1984

	Landlord	Tenant	Total
Annapolis	119	109	228
Cape Breton	95	112	207
Dartmouth	426	490	916
Halifax	626	996	1,622
Northern	176	144	320
South Shore	42	30	72
Strait	38	49	87
Western	109	83	192
	1,631	2,013	3,644

The total number of complaints mediated was 2,398, or 65.81% of total complaints received. It should be noted that 229 complaints received prior to April 1, 1983 were carried over to the relevant period and a number of those are included in the total number mediated. The same thing occurred on March 31, 1984, i.e., approximately 224 files were carried over to 1984-85.

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